



## Fiscal Estimate Narratives

DFI 12/5/2023

LRB Number	23-2800/1	Introduction Number	AB-0715	Estimate Type	Original
<b>Description</b> authorized activities and operations of credit unions; the lending area of savings and loan associations; automated teller machines; residential mortgage loans and variable rate loans; payments for public deposit losses in failed financial institutions; promissory notes of certain public bodies; repealing rules promulgated by the Department of Financial Institutions; providing an exemption from rule-making procedures; and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation revises statutes administered by Department of Financial Institutions in several respects, including eliminating certain requirements that have become obsolete or unnecessary, extending the time periods to carry out certain functions, and adding provisions to chapter 186 to address the issuance of supplemental capital and the purchase, leasing, holding, and conveyance of real estate by credit unions. While these revisions may require some changes or additions to training provided to applicable staff, the Department anticipates that any costs associated with those training updates can be absorbed within its current spending authority.

In addition, the bill proposes to increase the maximum payment from the public deposit fund for losses on deposits at a single financial institution, from \$400,000 to \$1,000,000. While this could increase the liabilities of the fund in the event of losses on public deposits that exceed both federal coverage for losses and the existing \$400,000 limitation on claims against the fund, the Division notes that public depositors have not needed to rely on the fund to cover losses in excess of federal insurance for more than two decades. Given the infrequency of past claims, the Division is unable to reasonably quantify the extent to which this change may result in additional future liabilities for the fund.

### Long-Range Fiscal Implications